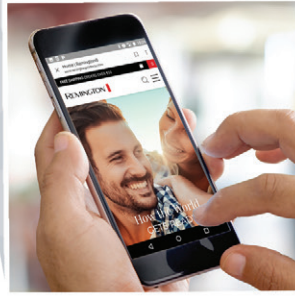




# INVESTING IN OUR FUTURE





**NET SALES**

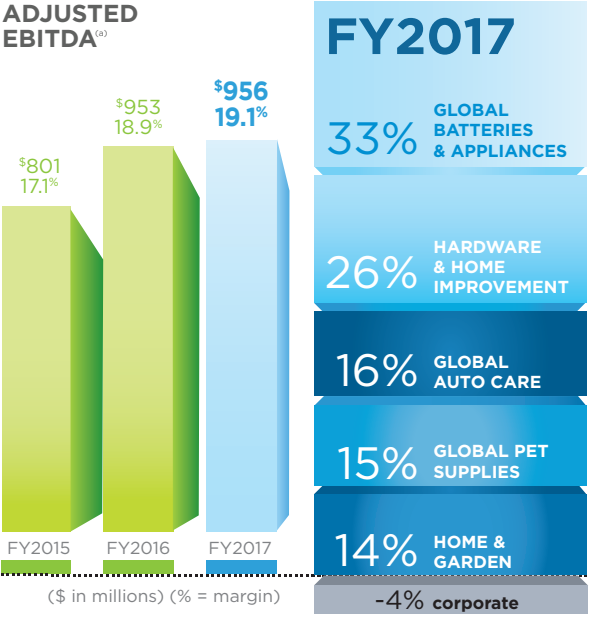


Spectrum Brands Holdings is a global consumer products company offering an expanding portfolio of leading brands providing superior value to consumers and customers every day.

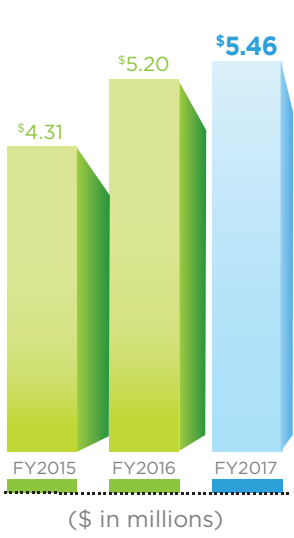
We are a leading worldwide supplier of consumer batteries, residential locksets, residential builders' hardware, plumbing, shaving and grooming products, personal care products, small household appliances, specialty pet supplies, lawn and garden and home pest control products, personal insect repellents and auto care products. Our products are well-known, widely trusted and available at major retailers in approximately 160 countries on six continents. Our brands are largely non-discretionary, non-premium priced, home-related, replacement packaged goods used by consumers daily.

We are headquartered in Middleton, Wisconsin and have nearly 18,000 employees in 50 countries. Our manufacturing and product development facilities are located in the United States, Europe, Latin America and Asia.

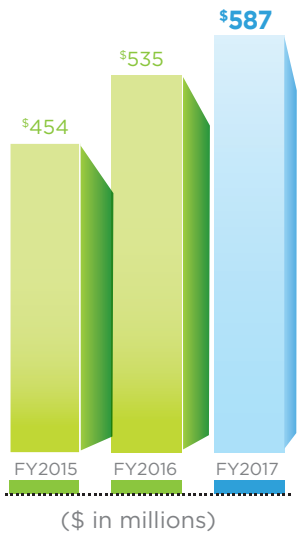
**ADJUSTED EBITDA<sup>(a)</sup>**



**ADJUSTED EARNINGS PER SHARE**



**ADJUSTED FREE CASH FLOW**



<sup>(a)</sup> Includes \$28 million, \$33 million and \$39 million of corporate/unallocated expenses in fiscal years 2015, 2016 and 2017, respectively.

## GBA

Global Batteries & Appliances



We are a worldwide leader in battery power, performance and innovation. In Europe, VARTA® is the second largest consumer battery company. Rayovac® is the number-three brand in North America with a well-defined value proposition. In Latin America, the Rayovac® brand is the market leader. We are the global leader in hearing aid batteries and also provide a wide variety of lighting products.

In personal care, Remington® is *"How the World Gets Ready."* A leading global provider of men's and women's grooming and styling products, Remington® is an innovator of affordable hair care appliances, hair accessories, electric shavers, and body groomers and trimmers.

Our small appliances business has leading positions in major kitchen/home appliance categories, including indoor grills, garment care, toaster ovens, toasters, citrus juicers and breadmakers. Its well-known brands include George Foreman®, Black+Decker®, Russell Hobbs®, Breadman® and Juiceman®.

## HHI

Hardware & Home Improvement



Our HHI division is a major manufacturer and supplier of residential locksets, commercial locksets and doors, residential and light commercial builders' hardware, and plumbing fixtures with a portfolio of renowned brands, including Kwikset®, Weiser®, Baldwin®, National Hardware®, Stanley®, Pfister™, EZSET® and Tell®.

HHI is an industry leader with number-one positions in U.S. residential locksets (Kwikset®), Canada residential locksets (Weiser®), U.S. luxury locksets (Baldwin®), U.S. builders' hardware (National Hardware®) and retail commercial locksets (Tell®), and number three in U.S. retail plumbing (Pfister™). The largest global tubular lock manufacturer with nearly 59 million units annually, HHI has a large installed base of about 935 million locks and 72 million households. The division has a leadership position in the rapidly growing U.S. residential electronics security market.

## PHG

Pet, Home & Garden



Our global pet supplies business is a leading manufacturer and distributor of products for pet supply markets worldwide. Our companion pet products include treats, clean-up and training aid products, health and grooming aids, and bedding through brands such as 8-in-1®, Dingo®, Digest-eeze™, Healthy-Hide®, DreamBone®, FURminator® and Nature's Miracle®, and in pet food in Europe, IAMS® and Eukanuba®. In aquatics, Tetra® is the premium brand name with products including fish food and water treatments, aquariums, filters and heaters.

Our Home and Garden portfolio includes highly recognized and trusted brands such as Spectracide®, Garden Safe®, Hot Shot®, Cutter®, Repel®, Black Flag® and Liquid Fence®. They include home, lawn and garden insect, weed and animal control products, personal and area mosquito repellents, and bed bug control products in U.S. markets with high barriers to entry.

## GAC

Global Auto Care



GAC primarily consists of the iconic Armor All® and STP® brands, two of the most recognizable brands in the automotive aftermarket appearance and performance chemicals/additives categories, and the market-leading A/C PRO® brand in the do-it-yourself (DIY) automotive air conditioner recharge category.

Armor All® has the number-one U.S. market share in the appearance products category with its line of protectants, wipes, tire and wheel care products, glass cleaners, leather care products, air fresheners and washes. A/C PRO® holds the number-one U.S. position in the DIY air conditioner recharge category. STP® is number three in the U.S. performance chemicals category with a complete line-up of oil and fuel additives and functional fluids.



## SPECTRUM BRANDS LEADERSHIP TEAM

*Left to right:* Andreas Rouvé, Chief Executive Officer;

Guy Andrysick, President, Global Auto Care; Nathan Fagre, Senior Vice President, General Counsel and Secretary; Phil Szuba, President, Hardware & Home Improvement; Stacey Neu, Senior Vice President, Human Resources; Steve Fraundorfer, President, Global Batteries & Appliances; Doug Martin, Executive Vice President and Chief Financial Officer; Randy Lewis, President, Pet, Home & Garden; and David Maura, Executive Chairman.

## To Our Shareholders

Fiscal 2017 was our 8th consecutive year of record adjusted earnings per share, EBITDA and free cash flow, which grew 10 percent to \$587 million or approximately \$10 per share. Reported EBITDA margin increased 20 basis points to 19.1 percent, also a record annual level. While reported net sales decreased slightly, our Hardware & Home Improvement and Global Batteries divisions posted higher annual revenues and e-commerce sales expanded a strong 46 percent in our core U.S. market.

Spectrum Brands demonstrated resiliency in managing through a fiscal 2017 that was not without challenges and ended the year with solid fourth quarter results. Last year major U.S. retailers adjusted inventory levels especially in our seasonal Home & Garden and Global Auto Care businesses. These inventory amounts are now much healthier than a year ago. We successfully worked through a voluntary U.S. pet rawhide recall and remain well-positioned as a clear leader in this growing dog chew market with expansion opportunities in Europe, Latin America and Asia-Pacific. Finally, the adverse revenue impact of exiting low-margin, non-strategic business which reduced 2017 sales by nearly 1 percent lessens considerably in 2018.

Our teams made good progress in 2017 with two transformational efficiency improvement projects which experienced some start-up hurdles last year. The consolidation of multiple U.S. Auto Care manufacturing, distribution and R&D facilities in Ohio is now complete, while the consolidation of our Hardware & Home Improvement distribution centers in Kansas is slated to be finished in March 2018. Both projects will streamline our supply chain, reduce operating costs and inventory levels, and further improve service levels.

Guided by the principles of our Spectrum First operating roadmap, we are optimistic about delivering measured organic net sales and adjusted EBITDA growth in fiscal 2018 along with our 9th consecutive year of record adjusted free cash flow, with an increase of as much as 9 percent to between \$620-\$640 million, or approximately \$11 per share, even as today's retail environment remains challenging, marked by uneven consumer spending and shifting consumer channel preferences. Spectrum Brands is arguably best-known for generating large and expanding cash flow, which provides significant and uncommitted optionality to create value in different ways, including capital expenditures, acquisitions, debt reduction, share repurchases and dividend increases.

Following on our progress in 2017 into this year, we will further increase R&D and the pace of new product development, bring more timely and impactful innovation to the market, and move into additional channels, categories and countries to ensure we are positioned where the customer chooses to shop. We are also mindful of the need to selectively increase marketing, especially in the online channel, and add more digital resources to better educate today's mobile consumer on the superior value proposition of our broad portfolio of everyday, non-discretionary products.



To that end, we launched two complementary initiatives, Project Alpha and Project Ignite, which are designed to accelerate our multi-year growth ambitions. With Project Alpha, we plan to spend up to an additional \$20 million in fiscal 2018 to expand into adjacent market segments through selective investment in new product development and strong market launches using new digital and social media marketing campaigns. This will help to leverage our strong brands and retailer relationships to launch innovation with key brands such as Armor All, Russell Hobbs and Nature's Miracle. Project Ignite is an initiative to ensure that our organization adapts to rapidly changing consumer preferences and retail channels and that resources are allocated to our best growth opportunities. Both projects will be multi-year in duration, and we expect Project Ignite to partially fund increased investments made through Project Alpha in fiscal 2018.

Last year we returned to the acquisition front with the purchase of PetMatrix and GloFish as bolt-on businesses in Global Pet Supplies. Acquisitions continue to be a powerful vehicle for accelerated sales, profit, margin and free cash flow growth. Our strategy here is unchanged. We seek accretive, tuck-in acquisitions in our Pet, Home & Garden, Hardware & Home Improvement, and Global Auto Care divisions and, on occasion, larger, transformational acquisitions that bring a new platform to our family of high performance, replacement products that provide superior value to both our customers and consumers. We pursue acquisitions at attractive pre-synergy multiples that yield quick and major manufacturing and SG&A leverage, along with commercial benefits such as new categories, channels and countries.

Our multi-year strategic plan, ongoing investments and the decisions we make daily continue to be assessed around two fundamental metrics – increasing adjusted EBITDA and maximizing sustainable free cash flow. They remain our core metrics for annual performance targets and variable compensation because we believe the alignment is a strong fit with investor valuation priorities.



This alignment was cemented further last year when two key new measurements, return on invested assets and adjusted earnings per share, were added as performance barometers to our long-term management incentive programs. And, beginning in fiscal 2018, a net sales metric is now included in our annual performance targets.

Our Board of Directors and senior management team share an unwavering focus to shape Spectrum Brands to make it more efficient and competitive in a globally evolving marketplace. We aim to deliver increasing value and growth every year while balancing the need to invest in our future, as the theme of this year's Annual Report highlights, so that our Company can maneuver successfully in changing times with a culture that fosters ownership, teamwork and agility.

All of us at Spectrum Brands remain grateful for the trust and confidence that you, our shareholders and debtholders, have in our Company and the support and encouragement you have given to us. We pledge to manage your assets wisely and responsibly in our journey together to create greater value and prosperity for our stakeholders.

Sincerely,

Andreas Rouvé  
Chief Executive Officer  
December 22, 2017

# OPERATIONAL EXCELLENCE

A pillar for growth is an unrelenting focus to enhance productivity and efficiency. Our ongoing continuous improvement programs reduce costs and expenses, streamline and integrate manufacturing plants and supply chains, reduce inventory levels, augment capacity and further improve quality and service. Operating excellence is fundamental to Spectrum Brands to ensure we remain competitive in a fast-changing marketplace.

## Project Ignite

was launched in late calendar 2017 as a multi-year, Company-wide initiative to make sure our businesses continue to adapt to rapidly changing consumer preferences and retail channels and that resources are prioritized and allocated to our best growth opportunities as they evolve.



◀ **U.S. HHI  
Distribution  
Center**  
Consolidation  
in Kansas



▲ **European Pet  
Distribution  
Center**  
Consolidation in  
the Netherlands



## U.S. Global Auto Care

Operating Footprint  
Consolidation  
Manufacturing,  
Distribution & R&D  
in Ohio



**Home & Garden  
Aerosol Filling  
Expansion**  
in St. Louis



## Global Transformation in Asia - HHI

More Capacity,  
Insourcing &  
Automation



## European Battery

Capacity  
Expansions





### Spectrum Brands has launched Project Alpha

to provide targeted, additional spending to accelerate sales growth with selective investments in new product development and strong market launches using new digital and social media marketing tools.



### E-commerce

Our U.S. e-commerce sales in fiscal 2017 increased 46% driven by robust new products and effective digital marketing campaigns.



# INNOVATION ACROSS A GLOBAL FOOTPRINT

Another pillar supporting our growth above the rates of the categories in which we compete is the launch of a steady stream of timely and impactful innovation that excites customers and consumers and meets their expectations for superior performance at attractive prices.

We are stepping up investment in our future by devoting more resources to the development of multi-year new product roadmaps across our business portfolio, always with careful attention to consumers' changing needs and preferences.

## To Our Shareholders

Fiscal 2017 was one of the more challenging years for our Company in quite some time. While we exceeded our internal objectives for adjusted free cash flow by generating a record \$587 million or \$10.10 per share, our organic sales growth was uneven by quarter. The good news is we took action early in the year to implement measures to enhance our Company's long-term growth prospects, such as Project Alpha, and we finished the year with a strong fourth quarter, including reported sales growth of 5.8 percent.

Despite headwinds from significant inventory destocking by major U.S. retail customers and challenges from both the Global Auto Care U.S. consolidation project and the Kansas greenfield project for our new HHI centralized distribution center, we were able to post an 8th consecutive record year for adjusted EBITDA of \$956 million, adjusted EBITDA margin of 19.1 percent and adjusted free cash flow. I want to thank the team for a great job on working capital management in fiscal 2017, and see further opportunity with inventory management in fiscal 2018.

There are three areas we want to address with Project Alpha. First, we must continue to invest heavily in R&D and new product development. We are challenging ourselves to truly revolutionize some of our product offerings with completely new approaches and the support of outside design firms. The aim is to bring news and excitement to our retail partners and the ultimate consumer. Secondly, we must accelerate the pace of our new product development. We are asking the teams to bring forward new products, which will lead to higher vitality across our product portfolio. Lastly, we must learn to communicate our innovations to consumers more effectively. To this end, we are investing more resources into digital content to monetize the transparency and authenticity of the digital marketplace. Across the board, Spectrum Brands has products that last longer, are more convenient, have better efficacy and a better value than our leading competitors. It was rewarding to see our e-commerce sales increase in our core U.S. market by more than 50 percent in the fourth quarter of fiscal 2017 – and we are only getting started.

Turning to capital allocation, our share price came under significant pressure over the past six months. During fiscal 2017 we repurchased just over 2 million shares of stock for \$252.5 million. There were times we wanted to be more aggressive, but were restricted from doing so. In fiscal 2017 we increased the quarterly dividend rate to \$0.42 per share and paid out \$96.2 million of cash dividends to our shareholders. We also allocated just over \$300 million for the tuck-in acquisitions of PetMatrix and GloFish last May and June and have successfully folded them into our Pet division. The results of both acquisitions are tracking ahead of schedule. Finally, in fiscal 2017 we increased our revolving credit facility to \$700 million and were opportunistic several times during the year by repricing our U.S. term loans to lower interest rates.

M&A continues to be a challenge as valuations have remained elevated. We are committed to our core underlying principle to efficiently allocate capital and drive sustainable free cash flow. As such, investments are focused to deliver faster organic sales, EBITDA and free cash flow growth. We will remain opportunistic with our capital structure and seek to repurchase our own shares when they fall below intrinsic value and certainly when our free cash flow yield is materially more attractive than both our peer group and the pricing of properties available for sale.

For fiscal 2018, sales growth is expected in all business units. The largest increases likely will come from our HHI and GAC divisions. Both adjusted EBITDA and free cash flow are expected to grow to new record annual levels this year. However, it is possible there will be some EBITDA declines in the Battery and Appliances categories as investments in Project Alpha and sales mix temper short-term performance. While Spectrum Brands does not provide sales and EPS guidance, we are optimistic about another record free cash flow year in fiscal 2018 of between \$620-\$640 million, and approaching \$11 per share.

While my main role remains capital allocation, I believe deeply that a strong and passionate culture in an organization is the root of its success, and successful organizations must continually adapt and reinvent themselves to drive superior shareholder returns. Higher growth also makes for a more exciting work life for our most valuable assets – our employees. To ensure Spectrum Brands is positioned for faster and sustainable growth, we will invest in innovation, new product development and digital marketing. Driving long-term, sustainable free cash flow remains our North Star. And while 2017 had many challenges for us, I see our Company emerging much stronger as a result. I am excited because of my continuing confidence that this Company's best days are still ahead of us.

Sincerely,



David M. Maura  
Executive Chairman of the Board  
December 22, 2017





## BOARD OF DIRECTORS

### David M. Maura

Executive Chairman,  
Spectrum Brands Holdings, Inc.  
Age 45; Director since 2010

### Kenneth C. Ambrecht <sup>1, 2, 3</sup>

Managing Partner,  
KCA Associates LLC  
Age 72; Director since 2009

### Norman S. Matthews <sup>2, 3</sup>

Independent Business Consultant  
Age 84; Director since 2009

### Terry L. Polistina <sup>1, 2</sup>

Private Investor  
Age 54; Director since 2009

### Andreas Rouvé

Chief Executive Officer,  
Spectrum Brands Holdings, Inc.  
Age 56; Director since 2015

### Hugh R. Rovit <sup>1</sup>

Chief Executive Officer,  
Ellery Homestyles  
Age 57; Director since 2009

### Joseph S. Steinberg

Chairman of the Board,  
Leucadia National Corporation  
Age 73; Director since 2015

### Ehsan Zargar

Executive Vice President,  
Chief Operating Officer,  
General Counsel and Corporate  
Secretary, HRG Group, Inc.  
Age 40; Director since 2017

## COMMITTEES OF THE BOARD

<sup>1</sup> Audit Committee

**Mr. Polistina is Chair.**

<sup>2</sup> Compensation Committee

**Mr. Ambrecht is Chair.**

<sup>3</sup> Nominating and Corporate  
Governance Committee

**Mr. Matthews is Chair.**

## SENIOR CORPORATE OFFICERS

### Andreas Rouvé

Chief Executive Officer  
Age 56; joined Company in 2002

### Douglas L. Martin

Executive Vice President  
and Chief Financial Officer  
Age 55; joined Company in 2014

### Nathan E. Fagre

Senior Vice President,  
General Counsel and Secretary  
Age 62; joined Company in 2011

### Stacey L. Neu

Senior Vice President,  
Human Resources  
Age 51; joined Company in 2005

### Guy J. Andrysick

President, Global Auto Care  
Age 56; joined Company in 2015

### Steven M. Fraundorfer

President, Home &  
Personal Care Appliances  
Age 50; joined Company in 1993

### Randal D. Lewis

President, Pet, Home & Garden  
Age 51; joined Company in 2005

### Philip S. Szuba

President, Hardware &  
Home Improvement  
Age 49; joined Company in 2012

### Shayn Wallace

President, Global Batteries & Lights  
Age 46; joined Company  
in November 2017

### Non-GAAP Measurements

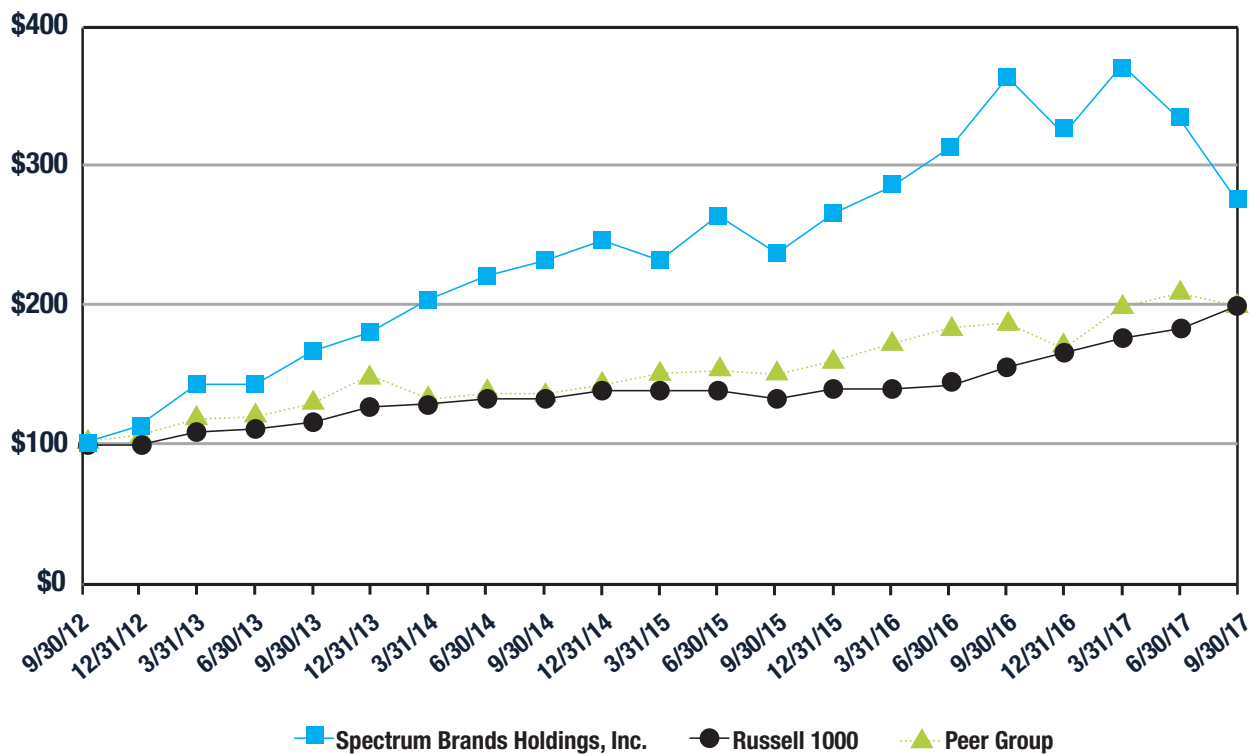
*Within this annual report, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) and free cash flow. These non-GAAP metrics are reconciled to their nearest GAAP equivalents within the Company's Periodic Report on Form 8-K filed with the SEC on November 16, 2017 within Exhibit 99.1 thereto. Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used for determining the Company's debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. The Company's management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt and meet its working capital requirements. Free cash flow should not be considered in isolation or as a substitute for pretax income (loss), net income (loss), cash provided by (used in) operating activities or other statement of operations or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and, therefore, does not reflect funds available for investment or discretionary uses. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.*

# COMPARISON OF TOTAL STOCKHOLDER RETURN

The following graph compares the cumulative total stockholder return on our Common Stock to the cumulative total return of (i) the Russell 1000 Financial Index and (ii) our peer group selected in good faith, which is composed of the following companies (alphabetical order): Central Garden and Pet Company, Church & Dwight Co., Inc., The Clorox Company, Edgewell Personal Care Company, Energizer Holdings, Inc., Fortune Brands Home & Security, Inc., Hanesbrands, Inc., Hasbro, Inc., Helen of Troy Limited, Mattel, Inc., Newell Brands, Inc., Nu Skin Enterprises, Inc., The Scotts-Miracle Gro Company, Stanley Black & Decker, Inc., and Tupperware Brands Corporation. This peer group is unchanged from 2016.

The comparison below assumes that \$100 was invested in our Common Stock from September 30, 2012 until September 30, 2017. The comparison is based upon the closing price of the Common Stock, and assumes the reinvestment of all dividends, if any. The returns of each of the companies in our peer group are weighted according to the respective company's stock market capitalization at the beginning of each period for which a return is indicated.

## COMPARISON OF CUMULATIVE 5-YEAR TOTAL RETURN



In accordance with the rules of the SEC, this section, captioned "Comparison of Total Stockholder Return," shall not be incorporated by reference into any of our future filings made under the Securities Exchange Act of 1934 or the Securities Act of 1933. The Comparison of Cumulative 5-Year Total Return graph above, including any accompanying tables and footnotes, is not deemed to be soliciting material or deemed to be filed under the Exchange Act or the Securities Act.



## CORPORATE HEADQUARTERS

Spectrum Brands Holdings, Inc.  
3001 Deming Way  
P.O. Box 620992  
Middleton, WI 53562  
608.275.3340  
www.spectrumbrands.com



## STOCK EXCHANGE

The common shares of Spectrum Brands Holdings, Inc. trade on the New York Stock Exchange under the ticker symbol SPB. Our Company is a member of the Russell 1000 Index.

## SHAREHOLDERS

As of December 14, 2017, there were 3 shareholders of record. Our Company estimates there were approximately 22,285 beneficial shareholders.

## TRANSFER AGENT AND REGISTRAR

Computershare  
877.419.8543 or 201.680.6685 (outside the U.S. and Canada) or 800.231.5469 (hearing impaired - TTY phone)  
www.computershare.com/investor

## SHAREHOLDER ASSISTANCE

General shareholder inquiries:  
Computershare  
P.O. Box 505000  
Louisville, KY 40233  
Send certificates for transfer by overnight delivery to:  
Computershare  
462 South 4th Street  
Suite 1600  
Louisville, KY 40202

## INVESTOR, SHAREHOLDER AND MEDIA CONTACT

David A. Prichard  
Vice President, Investor Relations and Corporate Communications  
608.278.6141  
investor@spectrumbrands.com

## COMPANY INFORMATION

Copies of the Annual Report on Form 10-K and quarterly reports on Form 10-Q may be obtained, without charge, by writing to Investor Relations at the corporate headquarters address, by calling 608.275.3340, by e-mail at investor@spectrumbrands.com or by visiting our Company's website at www.spectrumbrands.com.

## BUSINESS UNIT WEBSITES

Rayovac.com  
Varta-consumer.com  
Remingtonproducts.com  
Unitedindustriescorporation.com  
Unitedpetgroup.com  
Russellhobbs.com  
Spectrumhhi.com  
Armorall.com  
Stp.com  
Acprocold.com

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
833 East Michigan Street  
Suite 1050  
Milwaukee, WI 53202  
414.276.4200

## BOARD COMMUNICATION

Interested parties may communicate directly with any member of our Board of Directors by writing in care of Corporate Secretary, Spectrum Brands Holdings, Inc., P.O. Box 620992, Middleton, WI 53562.

## NEW YORK STOCK EXCHANGE COMPLIANCE

On February 21, 2017, we submitted to the New York Stock Exchange an interim written affirmation stating that we are in compliance with the NYSE corporate governance listing standards. Within 30 days following the date of our Annual Meeting of Shareholders, we will also submit a certification signed by our Chief Executive Officer stating that he is not aware of any violation by us of the NYSE corporate governance listing standards. In addition, the certifications signed by our Chief Executive Officer and our Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act of 2002 were filed as exhibits to our Annual Report on Form 10-K for the year ended September 30, 2017.

## SAFE HARBOR

Certain statements in this Annual Report that are neither reported financial results nor other historical information are forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and Company plans and objectives to differ materially from those expressed in the forward-looking statements.

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# Spectrum Brands

Global Batteries  
& Appliances

Pet, Home  
& Garden

Hardware &  
Home Improvement

Global  
Auto Care



\*Europe Only

[www.SpectrumBrands.com](http://www.SpectrumBrands.com)

NEW YORK STOCK EXCHANGE **SPB**

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